



March 26, 2024 – Tuesday

Economy

Fresh formal job creation slows down in January, shows EPFO data

The formal labour market in January experienced a slowdown as fewer fresh jobs were created during the month, the latest payroll data released by the Employee Provident Fund Organisation (EPFO) on Sunday shows. In January 2024, the number of new monthly subscribers under the Employees' Provident Fund (EPF) declined by nearly 4 per cent to 807,865 from 840,584 in December 2023, according to the monthly payroll data.

https://www.business-standard.com/economy/news/fresh-formal-job-creation-slows-down-in-january-shows-epfo-data-124032400624_1.html

Services inflation to stay muted for now; but a pickup is not far away

India's services inflation may remain muted for next few months and will witness a pickup in second half only, economists said, thus helping curb core inflation. There may be some more downside to services inflation, but a mean reversion or normalisation will happen in the second half of the year," said Rahul Bajoria, MD & head EM (ex-Asia), Barclays. "However, rates are unlikely to rise to higher levels witnessed postpandemic," he added.

<https://economictimes.indiatimes.com/news/economy/indicators/services-inflation-to-stay-muted-for-now/articleshow/108771908.cms>

S&P Global raises India's growth forecast to 6.8% for FY25, lower than current fiscal

With the government showing optimism on the growth scenario, S&P Global on Tuesday upped India's growth forecast by 40 basis points to 6.8 per cent during Fiscal Year 2024-25. However, it is still lower than the 7.6 per cent growth forecast for the current fiscal.

<https://www.thehindubusinessline.com/economy/sp-global-raises-indias-growth-forecast-to-68-for-fy25-lower-than-current-fiscal/article67993084.ece>

BFSI, e-commerce, staffing sectors most vulnerable to employment fraud

Banking, financial services, insurance, ecommerce, and staffing sectors were most susceptible to employment frauds with 8 per cent of the employees failing background verification checks according to a report by identity security platform IDfy. The report titled 'Background Verification Insights by IDfy' analysed 2.5 million background verifications from the past year across multiple industries, and in areas like criminal, qualification, address, and experience verifications.

https://www.business-standard.com/industry/news/bfsi-e-commerce-staffing-sectors-most-vulnerable-to-employment-fraud-124032500442_1.html

Accounts opened without permission under APY, 32% dropped out: ICSSR study

Nearly one of three subscribers who dropped out of the central government's pension scheme for the unorganised sector, the Atal Pension Yojana (APY), did so because their accounts were opened without their "explicit" permission, a recent sample study by the Indian Council of Social Science Research (ICSSR) has shown. Bank employees did so without their concurrence to achieve enrolment targets set for them.

https://www.business-standard.com/india-news/accounts-opened-without-permission-under-apy-32-dropped-out-icssr-study-124032500499_1.html

Finance

RBI likely to hold rates steady until at least July: Poll

The Reserve Bank of India (RBI) will keep interest rates unchanged until at least July, a bit longer than the U.S. central bank is expected to do so, on strong growth and still-elevated inflation, according to a firm majority of economists polled by Reuters. All 56 economists in the March 15-22 Reuters poll expected the RBI to hold the repo rate at 6.50% at the conclusion of its April 3-5 meeting. They were, however, divided on when the first cut would come, with nine of 52 saying next quarter, 24 picking the third quarter, 17 saying the fourth quarter and the rest expecting it at a later time. Median forecasts put the rate at 6.25% by the end of September and 6.00% at the end of this year.

<https://economictimes.indiatimes.com/news/economy/policy/rbi-likely-to-hold-rates-steady-until-at-least-july-poll/articleshow/108775697.cms>

Bank direct lending to NBFCs to moderate at Rs 1.7-1.9 trn in FY25: ICRA

With increased risk weights and exposure reaching sectoral limits, bank direct lending to non-banking finance companies (NBFCs) in the country is expected to be Rs 1.7-1.9 trillion in the next financial year (FY25), according to rating agency ICRA. The incremental direct bank lending to NBFCs was Rs 1.61 trillion in the 10-month of the current financial year (FY24).

https://www.business-standard.com/finance/news/bank-direct-lending-to-nbfc-to-moderate-to-rs-1-7-1-9-trn-in-fy25-icra-124032500364_1.html

IRDAI retains existing surrender value norms after pushback from industry

The Insurance Regulatory and Development Authority of India (IRDAI) has retained the existing surrender values for life insurance policies, following concerns raised by life insurers, according to the gazette notification issued later last week. The regulator also permitted sale of Index Linked Insurance Products, where the Net Asset Value (NAV) is linked to publicly available indexes. IRDAI decided to retain the regulations after it suggested an increase in the initial proposals in the draft regulations in surrender values, which had raised worries within the industry about potential higher short-term exits by policyholders.

<https://economictimes.indiatimes.com/industry/banking/finance/insure/irdai-retains-existing-surrender-value-norms-after-pushback-from-industry/articleshow/108768992.cms>

Industry

'Ready-to-eat market in India may grow 45% in 5 years'

The ready-to-eat market in India is likely to grow about 45% over the next five years, making the country a great investment opportunity in the segment, Stanley Goh, CEO of Singaporean airport service provider SATS Food Solutions told ET. "As the SATS solution group, we have always seen India as a culturally diverse market. Indian consumers today are more receptive to higher culinary standards. With the rise in interest in categories like ready-to-eat and ready-to-heat, as well as the convenience segment, we believe there is a huge potential for growth and we can put the decade-long experience we have in the Indian market to good use," he said.

<https://economictimes.indiatimes.com/industry/cons-products/food/ready-to-eat-market-in-india-may-grow-45-in-5-years/articleshow/108771842.cms>

Rising imports, demand slowdown ahead of polls weigh on Indian steelmakers

Surge in imports coupled with a blip in demand ahead of the upcoming general elections is weighing on steel firms. Data sourced from BigMint (formerly SteelMint/CoalMint), a market intelligence and price reporting firm, show that the average monthly price for hot rolled coil (HRC) in January stood at Rs 54,275 per tonne ex-Mumbai. In February it was at Rs 53,914 per tonne and in March at Rs 52,960 per tonne (last assessed on March 15).

https://www.business-standard.com/industry/news/rising-imports-weigh-on-indian-steelmakers-ahead-of-lok-sabha-polls-124032500181_1.html

India's push for EVs may lead to entry of Chinese firms in mkt: GTRI

The Indian government's push to boost domestic manufacturing of electric vehicles (EVs) may lead to large-scale entry of Chinese auto firms in the local market, a report by think tank GTRI said on Sunday. China's automotive industry, buoyed by substantial state support, has grown rapidly in electric vehicle technology, making it a leading exporter of EVs and related components, the Global Trade Research Initiative (GTRI) said.

https://www.business-standard.com/industry/auto/india-s-push-for-evs-may-lead-to-entry-of-chinese-firms-in-mkt-gtri-124032400174_1.html

German carmaker Volkswagen to tap demand for performance-oriented vehicles

German carmaker Volkswagen is seeking to cash in on the increasing demand for its premium performance-oriented offerings in metro and tier II and III cities as it looks to grow sales by 15 per cent in India this year, according to a senior company official. Volkswagen Passenger Cars India, which sold around 44,000 units in 2023, sells premium performance-oriented variants of its models SUV Taigun and sedan Virtus with a 1.5-litre petrol engine under the 'GT' trim. It has now brought a 1-litre petrol engine in the GT lineup to increase affordability.

https://www.business-standard.com/industry/auto/german-carmaker-volkswagen-to-tap-demand-for-performance-oriented-vehicles-124032400668_1.html

Holi and Easter weekends serve up big business for travel, hotel companies

At The Four Seasons Bengaluru, the Holi brunch at CUR8, its Italian and Indian restaurant, was completely sold out this long weekend. Shalabh Arora, director of marketing at the hotel, said, 'the Joy of Celebration' staycation package for the Holi and Easter long weekends that include amenities such as late check-outs until 4 pm resulted in more bookings than any other weekend so far this year." At the Four Seasons Mumbai, rooftop bar AER and restaurant San:Qi saw a "significant" turnout, higher than the usual weekend rush," said general manager Nitesh Gandhi. "Evenings are more high energy on such weekends especially when home means an elevator ride to your room," he added. From special Easter brunches to Holi-themed bashes and getaways, travel and hospitality companies expect brisk business this week because of two long weekends.

<https://economictimes.indiatimes.com/industry/services/hotels-/restaurants/holi-and-easter-weekends-serve-up-big-business-for-travel-hotel-companies/articleshow/108771685.cms>

Agriculture

Large-scale zero-budget farming may hit crop output: study

Large-scale adoption of traditional farming practices such as Zero Budget Natural Farming (ZBNF) being currently being promoted may impact the production of major crops such as rice and wheat, according to a joint study by Nabard and Icrier. A study titled 'ZBNF: implications for sustainability, profitability, and food security', has stated that there is a need for long-term experimentation before suggesting ZBNF as a national-level agriculture practice.

<https://www.financialexpress.com/policy/economy-large-scale-zero-budget-farming-may-hit-crop-output-study-3435666/>

Energy

Crude oil rises as heightened geopolitical risks exacerbate supply concerns

Oil prices rose in Asian trading on Monday on concerns over tighter global supply brought about by escalating conflicts in the Middle East and between Russia and Ukraine, while a shrinking US rig count added to upward price pressure. Brent crude futures climbed 39 cents, or 0.5 per cent, to \$85.82 a barrel at 0759 GMT. US crude futures gained 40 cents, or 0.5 per cent, to \$81.03 per barrel. Both benchmarks fell less than 1 per cent last week versus the previous week. A stronger US dollar, which rose about 1 per cent over the last week, has kept a lid on prices.

https://www.business-standard.com/economy/news/crude-oil-rises-as-heightened-geopolitical-risks-exacerbate-supply-concerns-124032500108_1.html

LNG importers rush to buy spot cargoes as price hits 3-year low

Power companies and refineries are doubling down on spot liquefied natural gas (LNG) as prices have hit a three-year low, according to industry officials aware of the development. LNG importers Gail, Gujarat State Petroleum

Corporation (GSPC), Torrent Gas, Bharat Petroleum Corp (BPCL) and Indian Oil Corp (IOC), among others, are buying spot cargoes as the Asia spot LNG price has declined between \$8.3 and \$9 per million British thermal units (mmBtu) due to weak demand and high inventory in both Asia and Europe, giving these companies room to expand sourcing and sales to the power, fertiliser, refining and other sectors.

<https://economictimes.indiatimes.com/industry/energy/oil-gas/lng-importers-rush-to-buy-spot-cargoes-as-price-hits-3-year-low/articleshow/108771718.cms>

Telecom

Wait for M2M critical services definition likely to get longer

There will likely be a further delay in defining critical services for machine-to-machine (M2M) communications as the Department of Telecommunications (DoT) has sought more suggestions from the telecom regulator on critical services and their regulatory requirements. "We will conduct a consultation with stakeholders on the reference from DoT regarding M2M services," an official at the Telecom Regulatory Authority of India (Trai) told ET. The telecom industry is worried that any further delay in defining critical services would lead to security implications as currently most of the M2M communications, including in power and infrastructure sectors, are happening on non-licensed spectrum with no security parameters, putting such networks at risk.

<https://economictimes.indiatimes.com/industry/telecom/telecom-news/wait-for-m2m-critical-services-definition-likely-to-get-longer/articleshow/108771916.cms>

States

In first critical mineral auction, no bidder for J&K lithium block

The maiden auction of critical minerals by the Centre has faced a setback with close to seven blocks, including the lithium block in Jammu & Kashmir (J&K), finding almost no takers. These seven blocks pertain to critical minerals, such as Glauconite, Graphite, Nickel, Platinum Group Elements (PGE), Potash, Lithium, and Titanium. They are spread across Bihar, Jharkhand, Tamil Nadu, Uttar Pradesh, and Jammu and Kashmir (J&K).

https://www.business-standard.com/economy/news/in-first-critical-mineral-auction-no-bidder-for-j-k-lithium-block-124032400476_1.html

Healthcare

Lung cancer: ICMR invites researchers to conduct meta-analyses for evidence-based guidelines

The Indian Council of Medical Research (ICMR) has invited expressions of interest from researchers to conduct systematic reviews and meta-analyses for generating evidence pertaining to lung cancer prevention, screening, diagnosis, management and palliation. Systematic reviews and meta-analyses play a crucial role in synthesizing existing evidence to inform decision-making in the management of lung cancer to guide clinical practice and improve patient outcomes. "Lung cancer is one of the commonest cancers in India and its incidence is rising every year. It accounts for 10 per cent of the total cancer deaths in the country. Currently, evidence-based guidelines do not exist with respect to its prevention, screening, diagnosis, management and palliation in India," the ICMR said.

<https://economictimes.indiatimes.com/industry/healthcare/biotech/healthcare/lung-cancer-icmr-invites-researchers-to-conduct-meta-analyses-for-evidence-based-guidelines/articleshow/108765143.cms>

External

FTA talks with SACU nations on the cards after new govt takes over

Discussions for a free-trade agreement (FTA) between India and the five-member South African Customs Union (SACU) nations may begin after the new government takes over in June, two people aware of the matter said.

The customs union includes South Africa, Namibia, Botswana, Lesotho and Eswatini. After the Lok Sabha elections, India plans to reach out to SACU nations to launch trade talks, one of the persons cited above said.

https://www.business-standard.com/economy/news/fta-talks-with-south-african-bloc-may-begin-after-new-govt-takes-over-124032400354_1.html

UK & Oman FTAs likely in commerce ministry's 100-day list

The conclusion of free trade agreements (FTAs) with the UK and Oman are likely to be part of a 100-day action plan drawn up by the department of commerce for the next government, apart from “steps to resolve the issues faced by exporters”, a senior official told FE. Negotiations on both these trade agreements are in the “final stages,” the official said, but added that due to the start of the election process in India, there has been a pause in the talk.

<https://www.financialexpress.com/policy/economy-uk-amp-oman-ftas-likely-in-commerce-ministrys-100-day-list-3435872/>

Onion export ban extended indefinitely

The government has indefinitely extended the ban on onion exports imposed last year, which is likely to bring down domestic prices of the key vegetable. “The export prohibition on onions valid till March 31 has been extended until further orders,” said a Directorate General of Foreign Trade notification. In December 2023, the government had banned exports of onion after the modal retail prices of the key agricultural commodities doubled to Rs 60/kg from Rs 30/kg reported in September last year.

<https://www.financialexpress.com/policy/economy-onion-export-ban-extended-indefinitely-3435261/>

Mauritius most suitable gateway for Indian investors to access African markets: Minister

Soomilduth Bholah, Minister of Financial Services and Good Governance, Mauritius, on a recent visit to India strongly urged the Indian investors to use the island country as a gateway to access the emerging African markets given Mauritius' expertise on the continent. Speaking to ET in New Delhi the Minister urged investors and companies in India to set up their office in Mauritius to operate in Africa. “Mauritius is part of several regional groupings in Africa. We have strong understanding of African markets, resources and political systems and can guide Indian investors about investing in Africa.”

<https://economictimes.indiatimes.com/news/economy/policy/mauritius-most-suitable-gateway-for-indian-investors-to-access-african-markets-minister/articleshow/108775513.cms>